

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
-vs-	:	
Central Illinois Light Company	:	02-0166
	:	
Reconciliation of revenues	:	
collected under the EPA Charge	:	
with actual costs.	:	

DRAFT ORDER

By the Commission:

In 1992, the Environmental Protection Act ("EP Act"), 415 ILCS 5/1 et seq., was amended to create the Clean Air Act Permit Program, 415 ILCS 5/39.5. The EP Act, as amended, authorized the Illinois Environmental Protection Agency to assess an annual fee of \$13.50 per ton, but not to exceed \$100,000 per source, for the allowable emissions of all regulated air pollutants. Section 9-220.1 was added to the Public Utilities Act ("Act"), 220 ILCS 5/1-101 et seq., in 1992 to allow any electric public utility to file a separate tariff designed to recover fees paid under subsection 18 of Section 39.5 of the EP Act. Central Illinois Light Company ("Respondent" or "CILCO") filed such a tariff ("EPA Charge") in 1995.

On February 27, 2002, the Illinois Commerce Commission ("Commission") entered an Order Commencing Reconciliation Proceedings in accordance with the requirements of Section 9-220.1 of the Act. The Order directed Respondent to present evidence in this docket at a public hearing to show the reconciliation of amounts collected under the EPA Charge with the amounts properly disbursed by it under subsection 18 of Section 39.5 of the EP Act.

Notice of the filing of Respondent's testimony and exhibits in this proceeding was posted in Respondent's business offices and was published in newspapers having general circulation in Respondent's electric and gas service territories, in the manner prescribed by 83 Ill. Adm. Code 255 and in compliance with the Commission's February 27, 2002 Order in this proceeding.

Pursuant to proper legal notice, a hearing was held in this matter before a duly authorized Administrative Law Judge of the Commission at its offices in Springfield, Illinois, on May 15, 2002. Appearances were entered by counsel on behalf of Respondent and by a member of the Commission Staff ("Staff"). Evidence was presented by Respondent, and at the conclusion of the hearing, the record was marked "Heard and Taken." No petitions to intervene were received in this proceeding.

The evidence submitted by CILCO shows the actual costs incurred by CILCO during 2001 for fees paid pursuant to the provisions of subsection 18 of Section 39.5 of the EP Act and reconciles those costs with the amounts recovered for such costs through CILCO's EPA Charge for the same year. The evidence shows an under-recovery of costs by CILCO of \$16,501.83 for the calendar year 2001. CILCO will combine the under-recovery of \$16,501.83 for the year ended December 31, 2001, plus billing adjustments of \$306.26 made in 2002 for November and December 2001 billings, along with the 2002 EP Act permit fees and carrying charges in the next calculation of its EPA Charge effective for the 2002 months of November and December.

CILCO's EPA Charge reconciliation for 2001 can be summarized as follows:

<u>Description</u>	<u>Amount</u>
Permit Fees	
Duck Creek Station	\$ 91,666.67
E.D. Edwards Station	91,666.67
Sterling Avenue Station	1,386.00
State Site Fee Hallock	1,136.00
State Site Fee Kickapoo	1,136.00
State Site Fee Cogen	2,500.00
Amount held in refund account for 2000 EP Act fees	(12,075.27)
Factor FI-Interest on Permit Fees	
Duck Creek Station	416.67
E.D. Edwards Station	208.33
Sterling Avenue Station	20.79
State Site Fee Hallock	28.40
State Site Fee Kickapoo	28.40
State Site Fee Cogen	75.00
Amount held in refund account for 2000 EP Act fees	(543.39)
EPA Charge Recoveries	
November 2001	(79,613.44)
December 2001	<u>(81,535.00)</u>
Under-recovery as of December 31, 2001	\$ 16,501.83
2001 Billing Adjustments	<u>306.26</u>
Net under-recovery for 2001	<u>\$ 16,808.09</u>

At the hearing, Carolyn L. Bowers, a member of the Accounting Department of the Commission's Financial Analysis Division, stated that Staff reviewed CILCO's filing and recommends approval of the reconciliation submitted by CILCO.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) CILCO is a corporation engaged in the generation, transmission, and distribution of electricity and in the distribution of gas to the public in Illinois and is a public utility as defined in the Act;
- (2) the Commission has jurisdiction over CILCO and of the subject matter of this proceeding;
- (3) the statements of fact set forth in the prefatory portion of this Order are supported by the evidence in the record and are hereby adopted as findings of fact;
- (4) the evidence shows that during calendar year 2001, Respondent acted reasonably and prudently in its payment of fees under subsection 18 of Section 39.5 of the EP Act;
- (5) for calendar year 2001, CILCO has satisfactorily reconciled amounts collected under the EPA Charge with the amounts properly disbursed by it under subsection 18 of Section 39.5 of the EP Act; CILCO experienced an under-recovery of \$16,501.83 as of December 31, 2001; CILCO will combine the under-recovery of \$16,501.83 for the year ended December 31, 2001, plus billing adjustments of \$306.26 made in 2002 for November and December 2001 billings, along with the 2002 EPA permit fees and carrying charges in the next calculation of the EPA Charge effective for the 2002 months of November and December, in accordance with CILCO's Rider EPA.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the reconciliation submitted by Central Illinois Light Company of the amounts collected under the EPA Charge with the amounts properly disbursed by it under subsection 18 of Section 39.5 of the Environmental Protection Act is hereby approved.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-

113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this ____ day of _____, 2002.

(SIGNED) RICHARD L. MATHIAS

Chairman

(S E A L)